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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* CHRISTOPHER MELVIN DONALD FEMRITE, WENDI SCHLARB, ZAHID ZOEBBHAI KALOLWALA, DANIEL FLETCHER BONTRAGER, KENNETH LUK-PAT, JANICE CHIEW KEUK ONG, ALEX CHAN LIM, ELENA KUZNETSOV, and LISA MARIE MINOGUE

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Appeal 2017-011471  
Application 14/294,857<sup>1</sup>  
Technology Center 3600

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Before RAMA G. ELLURU, HUNG H. BUI, and ADAM J. PYONIN,  
*Administrative Patent Judges.*

BUI, *Administrative Patent Judge.*

DECISION ON APPEAL

Appellant seeks our review under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–4, 7–13, 16–21, 24–26, 28, 29, 32–35, and 37–39, which are all the claims pending in the application. Claims 5, 6, 14, 15, 22, 23, 27, 30, 31, and 36 have been cancelled. Claims App'x. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.<sup>2</sup>

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<sup>1</sup> Appellant is the Applicant, Moneygram International, Inc., which, according to the Appeal Brief, is the real party in interest (Br. 1).

<sup>2</sup> Our Decision refers to Appellant's Appeal Brief ("App. Br.") filed March 10, 2017; Reply Brief ("Reply Br.") filed Sept. 11, 2017; Examiner's Answer ("Ans.") mailed July 10, 2017; Final Office Action ("Final Act.")

## STATEMENT OF THE CASE

Appellant's invention relates to "systems and methods for initiating and funding money transfer transactions to an account." Spec. ¶ 1.

According to Appellant,

[o]ne or more aspects of the present disclosure may facilitate initiation of, processing or, and/or funding of C2A [(cash to account)] money transfer transaction between a sending party and a receiving party even when the sending party provides information associated with an invalid account or otherwise fails to identify an account of the receiving party.

Spec. ¶ 4. In particular, "the systems . . . facilitate real-time account validation in connection with C2A money transfer transactions, and creation of a new account when account information provided by a sending party identifies an invalid account" to "enable completion of C2A money transfer transactions in real-time even when the sending party does not provide valid account information." Spec. ¶ 4, Abstract.

Claims 1, 10, 18, 26, and 35 are independent. Representative claim 1 is reproduced below:

1. A method comprising:  
receiving, by a processor, a request to initiate a money transfer transaction between a sending party and a receiving party, wherein the request includes information identifying a candidate account associated with the receiving party, wherein the candidate account corresponds to a bank account of the receiving party at a particular banking entity and the information identifying the candidate account is received from the sending party;

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mailed October 17, 2016; and original Specification ("Spec.") filed June 3, 2014.

initiating, by the processor, validation of the candidate account associated with the receiving party, wherein validation of the candidate account comprises:

transmitting a validation request to the particular banking entity, wherein the validation request includes a request to validate that bank account corresponding to the candidate account; and

receiving, from the banking entity, an account validity determination message that indicates whether the candidate account is a valid bank account of the receiving party at the particular bank entity; and

in response to receiving an account validity determination message that indicates that the candidate account associated with the receiving party is not a valid bank account of the receiving party at the particular banking entity, transmitting a request to create a new bank account associated with the receiving party to the particular banking entity, wherein the request includes information identifying the receiving party, and wherein the information identifying the receiving party is received from the sending party;

receiving, from the particular banking entity, an account number for the new bank account created for the receiving party, wherein the account number indicates that the new bank account of the receiving party was created by the sending party and is a valid bank account for receiving funds but not for withdrawing funds; and

initiating the money transfer transaction between the sending party and the receiving party in response to receiving the account number, wherein initiation of the money transfer transaction causes funds to be deposited into the new bank account.

App. Br. 19 (Claims App'x).

## EXAMINER'S REJECTION

Claims 1–4, 7–13, 16–21, 24–26, 28, 29, 32–35, and 37–39 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to a patent-ineligible “abstract idea” without significantly more. Final Act. 2–13.

## DISCUSSION

To determine whether subject matter is patent-eligible under § 101, the Supreme Court has set forth a two part test “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. Pty. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014). The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Id.* For computer-related technologies, “the first step in the *Alice* inquiry . . . asks whether the focus of the claims is on the *specific asserted improvement* in computer capabilities” (which would be eligible subject matter) or instead “on a process that qualifies as an ‘abstract idea’ for which *computers are invoked merely as a tool*” (which would be ineligible subject matter). *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36, 1338 (Fed. Cir. 2016) (emphasis added). If the claims are directed to eligible subject matter, the inquiry ends. *Thales Visionix Inc. v. United States*, 850 F.3d 1343, 1349 (Fed. Cir. 2017).

If the claims are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo Collaborative Servs.*

*v. Prometheus Labs. Inc.*, 566 U.S. 66, 79, 78 (2012)). In other words, the second step is to “search for an ‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73). “[W]ell-understood, routine, [and] conventional activit[ies]’ previously known to the industry” are insufficient to transform an abstract idea into patent-eligible subject matter. *Id.* at 2359 (quoting *Mayo*, 566 U.S. at 73).

In rejecting claims 1–4, 7–13, 16–21, 24–26, 28, 29, 32–35, and 37–39 under 35 U.S.C. § 101, the Examiner determines these claims are directed to an abstract idea of “a money transfer [*i.e.*, transferring money] between two entities with valid accounts” which is considered as “a fundamental economic practice” and includes limitations that are analogous to those discussed, for example, in *buySAFE*, *Cyberfone* and *CyberSource*. Final Act. 3–4 (quoting *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (holding that “creating a contractual relationship—a ‘transaction performance guaranty’” is an abstract idea); *Cyberfone Sys., LLC v. CNN Interactive Grp., Inc.*, 558 F. App’x 988 (Fed. Cir. 2014) (holding that using categories to organize, store, and transmit information is an abstract idea); and *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011) (holding that obtaining and comparing intangible data is an abstract idea; method steps that can be performed in the human mind, or by a human using a pen and paper are also an abstract idea)).

The Examiner also determines the additional elements recited in the claims are not sufficient to amount to significantly more than the judicial

exception because: (1) the functions such as “receiving, initiating and transmitting” are conventional functions of a computing system; (2) “their generic functionalities [] are well-understood, routine and conventional”; and (3) “the claims do not effect an improvement to another technology or technical field” and “do not amount to an improvement to the functioning of a computer system itself” and, as such, “amount to nothing more than requiring a generic computer system (e.g. processing units suitably programmed coupled to a memory) to merely carry out the abstract idea itself.” Final Act. 4–13.

*Alice/Mayo—Step 1 (Abstract Idea)*

Turning to the first step of the *Alice* inquiry, Appellant argues the claims are not directed to an abstract idea under *Enfish* because:

- (1) “[t]he present claims’ plain focus is on an improvement to the functionality of an electronic money transfer system . . . [and] provide real-time solutions that improve the electronic transfer system’s speed and efficiency as opposed to conventional solutions wherein the errors are ‘corrected manually and may take days to correct resulting in the dissatisfaction of customers of the money transfer entity, resulting in delays in providing the funds to the receiving party, and resulting in additional work/lost productivity for the money transfer entity” (App. Br. 9; Spec. ¶ 26);
- (2) “[t]he present claims provide technical solutions rooted in computer technology, which allows for to [sic] receiving parties to keep their account information private” (App. Br. 10); and
- (3) similar to the claims in *McRO, Inc. v. Bandai Namco Games America, Inc.*, 837 F.3d 1299 (Fed. Cir. 2016), Appellant’s claims “improve[] the capabilities of electronic money transfer systems by allowing for an

electronic money transfer to be completed, even when the sender does not know or have access to the receiving party's correct account information. Such an improvement to conventional electronic money transfer systems cannot properly be stripped down to the mere collection, comparison, storage, or transmission of information" (App. Br. 12).

According to Appellant, "the claims provide a technological improvement that addresses a situation where no receiving account exists and rules governing a system that creates data structures and facilitates transactions that were previously impossible on existing technology systems" and "provide a technical solution to a technical problem and improve electronic money transfer systems." Reply Br. 2–3.

Appellant's arguments are not persuasive. As correctly recognized by the Examiner, Appellant's reliance on *Enfish* and *McRO* is misplaced. In *Enfish*, the claims were directed to an improved database architecture, i.e., a self-referential table — "a specific type of data structure designed to improve the way a computer stores and retrieves data in memory." *Enfish*, 822 F.3d at 1339. Such a data structure has several distinct advantages over conventional relational databases, including: (1) faster searching of data than would be possible with the conventional relational model (*see* US 6,151,604 "*Enfish* '604 patent," 1:55–59, 2:66–3:6); (2) more effective storage of data other than structured text, such as storage of images and unstructured text (*Enfish* '604 patent, 2:16–22, 2:46–52); and (3) more flexibility in configuring the database (*Enfish* '604 patent, 2:27–29). *Id.*

In *Enfish*, the Federal Circuit characterized the "directed to" inquiry as a stage-one filter to the claims, "considered in light of the specification, based on whether 'their character as a whole is directed to excluded subject

matter.” *Enfish*, 822 F.3d at 1335 (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)). In particular, the Federal Circuit interpreted the “directed to” inquiry as asking “whether the claims are directed to an *improvement to computer functionality* versus being directed to an abstract idea.” *Enfish*, 822 F.3d at 1335 (emphasis added). “[T]he focus of the claims is on the specific asserted improvement in computer capabilities (i.e., the self-referential table for a computer database).” *Id.* at 1335–36. Based on the “plain focus of the claims,” the Federal Circuit reached the conclusion that *Enfish*’s claims were directed to “a specific improvement to the way computers operate, embodied in the self-referential table,” and, as such, were more than a mere abstract idea. *Id.* at 1336.

Similarly, *McRO* ‘576 patent (U.S. Patent No. 6,307,576) describes a computer software for matching audio to a 3D animated mouth movement to provide lip-synced animation. *McRO*, 837 F.3d at 1307. *McRO*’s claims contain (i) specific limitations regarding a set of rules that “define[] a morph weight set stream as a function of phoneme sequence and times associated with said phoneme sequence” to enable computers to produce “accurate and realistic lip synchronization and facial expressions in animated characters” (*Id.* at 1313) (alteration in original) and, when viewed as a whole, are directed to (ii) a “technological improvement over the existing, manual 3–D animation techniques” that uses “limited rules in a process specifically designed to achieve an improved technological result in conventional industry practice,” *Id.*

In contrast to *Enfish* and *McRO*, Appellant’s claims and Specification are directed to “systems and methods for initiating and funding money transfer transactions to an account.” Spec. ¶ 1. According to Appellant,

[o]ne or more aspects of the present disclosure may facilitate initiation of, processing or, and/or funding of C2A money transfer transaction between a sending party and a receiving party even when the sending party provides information associated with an invalid account or otherwise fails to identify an account of the receiving party.

Spec. ¶ 4. If the account is not valid, the systems facilitate “creation of a new account when account information provided by a sending party identifies an invalid account” so as to “enable completion of C2A money transfer transactions in real-time even when the sending party does not provide valid account information.” Spec. ¶ 4, Abstract.

Based on Appellant’s claims and Specification, we agree with the Examiner that the claims are directed to an abstract idea of “transferring money between accounts” which is considered as a “fundamental economic practice.” Ans. 3. Such activities are squarely within the realm of abstract ideas. Transferring money between accounts is a fundamental business practice prevalent in our system of commerce, like (1) the risk hedging in *Bilski v. Kappos*, 561 U.S. 593 (2010); (2) the intermediated settlement in *Alice*, 134 S. Ct. at 2356–57; (3) verifying credit card transactions in *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011); (4) guaranteeing transactions in *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354 (Fed. Cir. 2014); (5) distributing products over the Internet in *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014); (6) determining a price of a product offered to a purchasing organization in *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306 (Fed. Cir. 2015);

and (7) pricing a product for sale in *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359 (Fed. Cir. 2015). Transferring money between accounts is also a building block of a market economy and, like risk hedging and intermediated settlement, is an “abstract idea” beyond the scope of § 101. *See Alice*, 134 S. Ct. at 2356.

Moreover, many of the steps recited in Appellant’s claims 1, 10, 18, 26, and 35 are only abstract processes of receiving, verifying, and transmitting information of a specific content, e.g., money transfer transactions between two entities with valid accounts. Information, as such, is intangible, and data analysis without more is also an abstract idea. *See, e.g., Microsoft Corp. v. AT & T Corp.*, 550 U.S. 437, 451 n.12 (2007); *Alice*, 134 S. Ct. at 2355; *Gottschalk v. Benson*, 409 U.S. 63, 71–72 (1972). “[C]ollecting information, including when limited to particular content (which does not change its character as information),” and “analyzing information by steps people go through in their minds, or by mathematical algorithms, without more,” are “within the realm of abstract ideas.” *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016); *see also Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1349 (Fed. Cir. 2015); *Digitech Image Techs., LLC v. Electronics for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014) (“Data in its ethereal, non-physical form is simply information that does not fall under any of the categories of eligible subject matter under section 101”).

Lastly, we note Appellant’s claims do not improve the performance of a computer or solve a problem specific to computers or computer networks. Appellant’s Specification and arguments do not demonstrate the claims “improve the way a computer stores and retrieves data in memory,” as the

claims in *Enfish* did via a “self-referential table for a computer database.” See *Enfish*, 822 F.3d at 1336, 1339. Instead, the claims simply use computers as a tool to perform the concept of transferring money between accounts. The focus of Appellant’s invention is not to improve the performance of computers, but to use computers as a tool to implement business functions of receiving, verifying, and transmitting information of a specific content, e.g., money transfer transactions between two entities with valid accounts.

Accordingly, we agree with the Examiner that independent claims 1, 10, 18, 26, and 35 are directed to an abstract idea of “a money transfer [i.e., transferring money] between two entities with valid accounts” which is considered as “a fundamental economic practice.” Final Act. 3–4

*Alice/Mayo—Step 2 (Inventive Concept)*

In the second step of the *Alice* inquiry, Appellant argues (1) the claims, like the claims in *Bascom Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1352, 1350 (Fed. Cir. 2016), “are directed to patent-eligible subject matter . . . because the claims elements, when considered as an ordered combination, represent a software-based invention that improves the performance of a money transfer system itself”; and (2) like the claims in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014), the claims provide “a fundamental improvement to internet-centric computerized technology.” App. Br. 14–18.

Appellant’s arguments are not persuasive. As correctly recognized by the Examiner, Appellant’s reliance on *Bascom* is misplaced. Ans. 8. For example, *Bascom* (U.S. Patent No. 5,987,606 (“*Bascom* ’606 patent”)) describes a particular arrangement of filtering software at a specific location,

remote from the end-users, with customizable filtering features specific to each end user. The filtering software enables individually customizable filtering at the remote ISP server by taking advantage of the technical ability of the ISP server to identify individual accounts and associate a request for Internet content with a specific individual account. *Bascom* '606 patent 4:35–38.

The Federal Circuit recognized that *Bascom*'s installation of an Internet content filter at a particular network location is “a technical improvement over prior art ways of filtering such content” because such an arrangement advantageously allows the Internet content filter to have “both the benefits of a filter on a local computer and the benefits of a filter on the ISP server” and “give[s] users the ability to customize filtering for their individual network accounts.” *Bascom*, 827 F.3d at 1350, 1352. According to the panel, *Bascom*'s claims “do not preempt the use of the abstract idea of filtering content on the Internet or on generic computer components performing conventional activities.” *Id.* Instead, *Bascom*'s claims “carve out a specific location for the filtering system (a remote ISP server) and require the filtering system to give users the ability to customize filtering for their individual network accounts.” *Id.* As such, “an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces.” *Id.* at 1350.

In contrast to *Bascom*, Appellants' claims and Specification are directed to “systems and methods for initiating and funding money transfer transactions to an account.” Spec. ¶ 1. There is no evidence in the record to support Appellant's contention that the money transfer transaction system is

provided with any non-conventional and non-generic arrangement of known, conventional components that provides a technical improvement.

According to *Alice*, the second step is to “search for an ‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355 (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73). The most relevant Federal Circuit cases on point include (1) *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014) and (2) *Amdocs (Isr.) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288 (Fed. Cir. 2016). Both *DDR* and *Amdocs* involve business-centric inventions that are similar to Appellant’s invention.

For example, the Federal Circuit found *DDR*’s claims contain an “inventive concept” under *Alice* step 2 because *DDR*’s claims (1) do not merely recite “the performance of some business practice known from the pre-Internet world” previously disclosed in *Bilski* and *Alice*, but instead (2) provide a technical solution to a technical problem unique to the Internet, *i.e.*, a “solution . . . necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *DDR*, 773 F.3d at 1257. Likewise, the Federal Circuit also found *Amdocs*’ claims contain a sufficient “inventive concept” because like *DDR*, *Amdocs*’ claims “entail[] an unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases)” and “improve the performance of the system itself.” *Amdocs*, 841 F.3d at 1300, 1302.

In contrast to *DDR* and *Amdocs*, however, Appellant’s invention does not provide a technical solution to a technical problem unique to the Internet,

*i.e.*, a “solution . . . necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *DDR*, 773 F.3d at 1257. Nor does Appellant’s invention entail, like *Amdocs*, any “unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases)” and “improve the performance of the system itself.” *Amdocs*, 841 F.3d at 1300, 1302. As such, we find no element or combination of elements recited in Appellant’s claims that contains any “inventive concept” or adds anything “significantly more” to transform the abstract concept into a patent-eligible application. *Alice*, 134 S. Ct. at 2357. Instead, we agree with the Examiner that the additional elements recited in Appellant’s claims (e.g., processor and memory) do not transform the abstract idea into a patent eligible invention. As our reviewing court has observed, “after *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.” *DDR*, 773 F.3d at 1256 (citing *Alice*, 134 S. Ct. at 2358).

Because Appellant’s claims are directed to a patent-ineligible abstract concept and do not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s rejection of claims 1–4, 7–13, 16–21, 24–26, 28, 29, 32–35, and 37–39 under 35 U.S.C. § 101.

## CONCLUSION

On the record before us, we conclude Appellant has not demonstrated the Examiner erred in rejecting claims 1–4, 7–13, 16–21, 24–26, 28, 29, 32–35, and 37–39 under 35 U.S.C. § 101.

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DECISION

As such, we AFFIRM the Examiner's final rejection of claims 1–4, 7–13, 16–21, 24–26, 28, 29, 32–35, and 37–39 under 35 U.S.C. § 101.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED